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By Stephen Ohlemacher, Associated Press

WASHINGTON - You wouldn't know it by the Tax Day rhetoric, but Americans are paying lower taxes this year, even with increases passed by many states to balance their budgets. Don't expect it to last.

Congress cut individuals' federal taxes for this year by about \$173 billion shortly after President Barack Obama took office, dwarfing the \$28.6 billion in increases by states.

In the next few years, however, many can expect to pay more. Some future increases were enacted as part of Obama's health care overhaul. And former President George W. Bush's tax cuts expire in January. Obama and the Democrats want to renew only some of them, thus raising taxes for individuals making more than \$200,000 and couples making more than \$250,000.

As this year's April 15 federal deadline passes, the debate about future tax increases has Republicans in Congress and conservatives across the country portraying Democrats as tax-and-spend liberals even before any new levies are approved. The discussion also is helping frame the congressional elections this fall.

"The fact is in the past year we have had more tax cuts than almost anytime in our nation's history," said Rep. Steve Cohen, D-Tenn. "It's something that people don't realize because of the false rhetoric that is spread throughout this Congress."

Grover Norquist, president of Americans for Tax Reform, said conservatives didn't see any need to wait before protesting.

"I thought that we were going to have to wait until the tax increases started to see popular unhappiness," Norquist said at a Capitol Hill forum Wednesday. "Last year, people started reacting, the tea parties started organizing, in reaction to spending too much. They didn't wait for the tax increases to come."

The massive economic recovery package enacted last year included about \$300 billion in tax cuts over 10 years. About \$232 billion was in cuts for individuals, nearly all in the first two years.

The most generous was Obama's Making Work Pay credit, which gives individuals up to \$400 and couples up to \$800 for 2009 and 2010. The \$1,000 child tax credit was expanded to more families, and the working poor can qualify for as much as \$5,657 from the Earned Income Tax Credit.

There were also credits for qualified families who buy new homes or make energy improvements to existing ones, as well as tax breaks to help pay college tuition or buy new cars.

"From investing in small business to buying a home or making it energy efficient, to sending your children to college to buying a car, these tax cuts are helping families and businesses across the country," said Rep. Russ Carnahan, D-Mo.

At the same time, many states raised taxes last year because they are required by state constitutions to balance their budgets, even during a recession. In all, states increased personal income taxes by \$11.4 billion, according to the National Conference of State Legislatures. They increased sales taxes by \$7.2 billion and business taxes by \$2 billion.

States also increased a number of other taxes, including levies on alcohol, motor vehicles and tobacco, for an additional \$8 billion.

The biggest tax increase in the health care overhaul is limited to individuals making more than \$200,000 and couples making more than \$250,000, though other increases would hit lower income taxpayers.

For the first time, the Medicare payroll tax would be applied to investment income, beginning in 2013. A new 3.8 percent tax would be imposed on interest, dividends, capital gains and other investment income for individuals making more than \$200,000 a year and couples making more than \$250,000.

The bill also would increase the Medicare payroll tax by 0.9 percentage point to 2.35 percent on wages above \$200,000 for individuals and \$250,000 for married couples filing jointly.

"We know the tax man cometh, and over the next few years, boy, will he be coming with a vengeance," said Sen. Orrin Hatch, R-Utah.

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